

6.3% Across the Board Reductions for WorkFirst

November 10, 2010

In September 2010, Governor Gregoire directed state agencies to move forward with across the board cuts of 6.3 percent to help address the Washington State's growing budget deficit for the remainder of the 2009-2011 biennium. Because funding for WorkFirst, Washington's Temporary Assistance for Needy Families (TANF) program, is provided in the operating budget, it is subject to the 6.3% reduction. This means that cuts need to be made to achieve savings of about \$19 million in general fund state dollars for the current fiscal year, which ends on June 30, 2011. These reductions are in addition to the \$51 million in WorkFirst cuts that were announced in August of this year to keep the program's budget in balance.

The WorkFirst Subcabinet has identified nearly \$18 million in across-the-board reductions for WorkFirst, and these are outlined below. These reductions will not take effect until next year. It is not possible to make these changes without regulation or contractual changes, which will take time. Because of this, some cuts will go into effect on January 1, 2011 while those that require legislative approval are targeted to begin on March 1, 2011 or later.

	GF-State Savings Possible	Number of Affected Clients	Effective Date
Lower the income eligibility limit for Working Connections Child Care subsidies from 175% to 150% of the federal poverty level. With this change, a three-person family with monthly income over \$2,756 will not be eligible.	\$12.5 million for State Fiscal Year (SFY) 2011 \$31.6 million annually	About 4,115 families will no longer be eligible when their current certification period ends	January 2011
Reduce state maintenance-of-effort funding for Tribal TANF programs by 6.3%.	\$401,000 for SFY 2011 \$801,760 annually	10 Tribes and one tribal consortium currently operate a Tribal TANF program	January 2011
A WorkFirst family is permanently disqualified from the program when the family has been terminated from TANF more than two times due to a non-compliance sanction caused by a failure to comply with required work activities. This permanent disqualification does not apply to children living in the home who are not required to participate in WorkFirst.	\$32,000 for SFY 2011 \$95,000 annually	16 families per year	March 2011

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<p>Apply an income 'means test' of 200% of the federal poverty level to child-only cases where the parent is not in the home. This includes kinship care cases. Under current rules for these cases, only the child's own income and resources are considered in determining eligibility for the grant.</p> <p>200% of the federal poverty level is the income eligibility standard for Basic Food, Washington's food stamp program. This means that in a household of three people, the household income must be less than \$3,052 per month for the child to be eligible for TANF.</p>	\$2 million for SFY 2011	<p>There are currently about 10,400 TANF families with a kinship or legal guardian caregiver.</p> <p>These families would be subject to the income means test.</p>	To be determined
Reduce funding from the WorkFirst budget that is used to support the delivery of child welfare services by 6.3%.	<p>\$2.37 million for SFY 2011</p> <p>\$2.37 million annually</p>	n/a	January 2011